

OREGON DEPARTMENT OF AVIATION Annual Performance Progress Report (APPR) for Fiscal Year 2011-2013

2009-2011 Budget Form 107BF04c

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Agency Mission:

To Preserve and Enhance Aviation in Supporting Oregon's Communities

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ABOUT THIS REPORT

Purpose of Report

The purpose of this report is to summarize the agency's performance for the reporting period, how performance data are used and to analyze agency performance for each key performance measure legislatively approved for the 2011-2013 biennium. The intended audience includes agency managers, legislators, fiscal and budget analysts and interested citizens.

1. PART I: EXECUTIVE SUMMARY defines the scope of work addressed by this report and summarizes agency progress, challenges and resources used.
2. PART II: USING PERFORMANCE DATA identifies who was included in the agency's performance measure development process and how the agency is managing for results, training staff and communicating performance data.
3. PART III: KEY MEASURE ANALYSIS analyzes agency progress in achieving each performance measure target and any corrective action that will be taken. This section, the bulk of the report, shows performance data in table and chart form.

KPM = Key Performance Measure

The acronym "KPM" is used throughout to indicate **Key Performance Measures. Key performance measures are those highest-level, most outcome-oriented performance measures that are used to report externally to the legislature and interested citizens. Key performance measures communicate in quantitative terms how well the agency is achieving its mission and goals. Agencies may have additional, more detailed measures for internal management.**

Consistency of Measures and Methods

Unless noted otherwise, performance measures and their method of measurement are consistent for all time periods reported.

TABLE OF MEASURES

KPM#	2011-2013 Key Performance Measures (KPMs)	Page #
1	Runway Pavements in Good or Better Condition (%)	
2	Runways Meeting or Exceeding Approach Surface Standards (%)	
3	State airports with current inspections (#)	
4	Federal Funds obligation rate (%)	
5	Customer Service – “Good” and/or “Better” ratings (%)	
6	Aircraft Registered (% against FAA database)	
7	Pilots Registered (% against FAA database)	
8	Best Practices Used by State Aviation Board (%)	

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Alternate: Jenny Wilfong, Financial Manager	Phone: 503.378.4881

1. SCOPE OF REPORT

- These KPM are intended to measure the Department of Aviation’s : (a) effectiveness and the efficiency in maintaining safe public-use airports within Oregon funded by aviation fuel tax receipts, (b) performance as viewed by its customers, (c) accountable and satisfactory performance of fiduciary responsibilities for management of federal and state funds received in grants and fees, (d) effectiveness in registering pilots and aircraft used to fund Oregon’s Search and Rescue Program, and (e) effective and close coordination with the State Aviation Board in implementing policies for aviation in Oregon.

2. THE OREGON CONTEXT

Air transportation is an important part of Oregon’s transportation system and airports are critical components of Oregon’s transportation infrastructure. They support the state’s economic and social well being and livability by enabling the quick, efficient, and safe movement of people and goods. As of 2010 there are 97 public use and over 350 private use airports in Oregon which provide a variety of different services to Oregonians, businesses and tourists.

Oregon’s size, geography, and population distribution make air transportation more important for access, mobility, and connectivity than many other states. Air transportation plays a key role in connecting Oregon’s rural populations with services and commerce in larger cities, and to the national and international air transportation system. This is particularly true in many areas outside of the Willamette Valley where access to the major commercial service airports is hours away. Oregon’s urban and rural communities depend heavily on their airports.

Oregon’s system of airports plays an important role in economic development. The economic significance of Oregon’s airport system is demonstrated by the following facts:

- More than three million visitors arrive each year at Oregon’s commercial service and general aviation airports
- Spending by visitors and associated spin-offs account for a total annual benefit of approximately six billion to Oregon’s economy
- Visitor spending supports over 135,000 jobs in Oregon with an annual payroll estimated at \$ 2.4 billion
- Approximately 12,000 jobs are created by aviation-related tenants at Oregon’s airports, and an additional 13,000 secondary jobs support tenant-related jobs
- Annual output or spending related to all tenants at Oregon’s system of commercial and general aviation airports is estimated at 5.9 billion

Oregon’s public-use airports play a key role in ensuring economic growth and maintaining high standards of livability throughout the state. Airline passengers, overnight mail, air cargo, air ambulance, forest fire suppression, crop spraying, military use, and aviation-related businesses all depend on an adequate network of airports.

3. PERFORMANCE SUMMARY

The Legislatively-Approved Budget (LAB) included all eight (8) approved Department of Aviation KPMs. 7 KPMs showed improvement. (Runway Pavements in Good or Better Condition (%), State airports with current inspections (#), Federal Funds obligation rate (%), Aircraft Registered (% against

Department of Aviation

II. USING PERFORMANCE DATA

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FAA database), ,Pilots Registered (% against FAA database), Customer Service Ratings and Aviation Board best practices. KPM # 2 (Runway meeting or Exceeding Approach Surface Standards) declined.

KPM Progress Summary	Key Performance Measures (KPMs) with Page References	# of KPMs
KPMs MAKING PROGRESS at or trending toward target achievement	Runway Pavements in Good or Better Condition (%), State airports with current inspections (#),Federal Funds obligation rate (%), Aircraft Registered (% against FAA database), ,Pilots Registered (% against FAA database), Customer Service – “Good” and/or “Better” ratings (%), Best Practices Used by State Aviation Board (%)	7
KPMs NOT MAKING PROGRESS not at or trending toward target achievement	Runways Meeting or Exceeding Approach Surface Standards (#)	1
KPMs - PROGRESS UNCLEAR target not yet set		
Total Number of Key Performance Measures (KPMs)		8

4. CHALLENGES.

For those KPM addressing the condition of state-owned airports the following represent the challenges: Legislative approval of requested budget, declining fuel tax revenues, increasing prices for asphalt, changes in bidding practices used by counties and commercial purchasers of asphalt, cost of obstruction removal near runways, adverse weather, and the changing character (weight, wingspan, type) of aircraft using Oregon’s public-use airports.

5. RESOURCES USED AND EFFICIENCY

Department of Aviation (Aviation) – Agency Totals

	2003-05 Actual	2005-07 Legislatively Approved	2007-09 Governor’s Recommended	2007-09 Legislatively Adopted
Other Funds	15,769,226	6,604,588	7,024,120	4,621,625
Federal Funds	0	10,510,000	9,635,252	8,962,132
Total Funds	\$15,769,226	\$17,114,588	\$16,659,372	\$13,583,757
Positions	16	16	20	17
FTE	16.00	16.00	19.34	18.92

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The following questions indicate how performance measures and data are used for management and accountability purposes.	
<p>1 INCLUSIVITY Describe the involvement of the following groups in the development of the agency’s performance measures.</p>	<ul style="list-style-type: none"> • Staff: Management and represented staff. • Elected Officials: Governor’s Office • Stakeholders: Oregon Airport Manager’s Association, Oregon Pilot’s Association, Aircraft Owners and Pilots Association – NW Chapter • Citizens: Airport Advisory Committees – State-Owned Airports, local OPA and EAA chapters
<p>2 MANAGING FOR RESULTS How are performance measures used for management of the agency? What changes have been made in the past year?</p>	<p>The Legislatively-Approved Budget (LAB) included all approved Department of Aviation KPMs. 5 KPMs showed improvement. (Runway Pavements in Good or Better Condition (%), State airports with current inspections (#), Federal Funds obligation rate (%), Aircraft Registered (% against FAA database), Pilots Registered (% against FAA database), KPM # 2 (Runway meeting or Exceeding Approach Surface Standards) declined. and KPM # 5 and # 8 have insufficient data (Customer Service Ratings and Aviation Board best practices, respectively) do not have new surveys with sufficient data, reflecting “Progress Unclear.”</p>
<p>3 STAFF TRAINING What training has staff had in the past year on the practical value and use of performance measures?</p>	<p>In 2010, there was significant staff reorganization based on a multiagency management review team. The team included many recommendations to improve processes, staff performance and metrics.</p>
<p>4 COMMUNICATING RESULTS How does the agency communicate performance results to each of the following audiences and for what purpose?</p>	<ul style="list-style-type: none"> • Staff: Annual meeting to review KPM, Strategic Initiatives, and Oregon Aviation/Master Plan – 2007. • Elected Officials: Review with Chair, Senate and House Subcommittee on Transportation, Governor’s Office • Stakeholders: Post results to agency website; brief at stakeholder conferences/meetings; publish in ODA newsletter • Citizens: Post results to agency website; brief at stakeholder conferences/meetings; publish in ODA newsletter

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KPM # 1	Runway Pavements in Good or Better Condition	Measured since: 2005
Goal	All Oregon’s public-use airports shall have runway pavements in good or better condition.	
Oregon Context	Not Applicable.	
Data source	Pavement Evaluation Program measures all public-use airports in Oregon once every three (3) calendar years. Use of Micropaver software provides fact-based data indicating order of priority, budget, and specific work requirements annually.	
Owner	Department of Aviation, contact person is State Planning Manager, 503.378.4880.	

1. OUR STRATEGY:

Maximize state and federal funds so that all public-use airports’ runways are in good or better condition. Target is percentage of paved airport runways rated good or better within the total inventory of 66 paved public use airports in Oregon.

2. ABOUT THE TARGETS:

Consulting/architecture firms bid for five-year contract to manage software and data collection for ODA.

3. HOW WE ARE DOING:

Transfer of revenue to Operations from PMP program as authorized by ORS 836.072 reduced scope of pavement maintenance in 2010. Pavement Maintenance will continue as scheduled in 2011.

4. HOW WE COMPARE:

Comparator state information is not available.

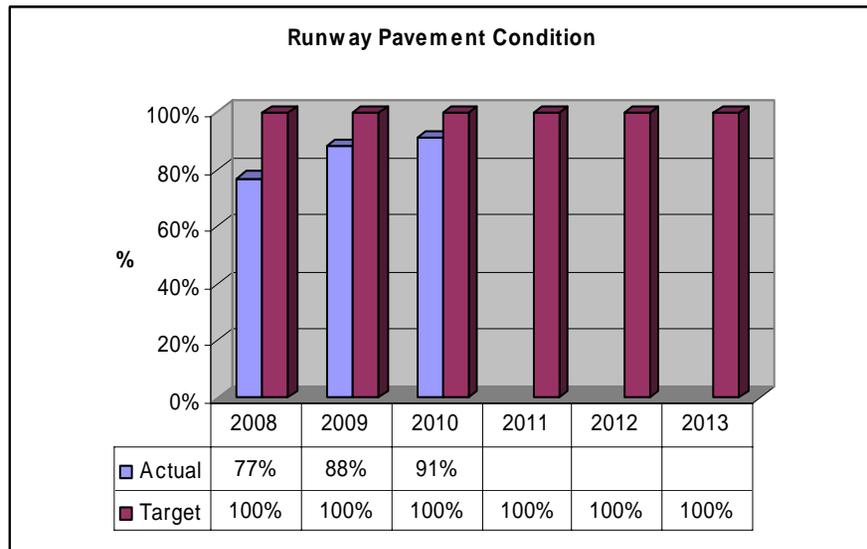
5. FACTORS AFFECTING RESULTS:

6. WHAT NEEDS TO BE DONE:

Potential decline in fuel tax revenue during 2011 and the future could impact ability to conduct full PMP program. Modify type of pavement work, alter bidding practices, identify additional revenue source.

7. ABOUT THE DATA:

The data is available and collated annually



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KPM # 2	Runways Meeting or Exceeding Approach Surface Standards	Measured since: 2007
Goal	All Oregon’s public-use airports shall have runways meeting or exceeding approach surface standards.	
Oregon Context	Not Applicable.	
Data source	FAA part 77.25 standards require a 20:1 glide slope for visual meteorologic conditions (VMC) for public use airports. Federal dollars are available for NPIAS (National Plan of Integrated Airports System) for obstruction removal.	
Owner	Department of Aviation, contact person is State Airports Manager, 503.378.4880.	

1. OUR STRATEGY

100% compliance with FAA standards. Identify state and federal funds ensure maximum number of airports with proper approach surface standards.

2. ABOUT THE TARGETS:

Data shows a decrease in number of airports that meet or exceed approach surface standards. This is affected by pending obstruction removal at public use airports and airports not eligible for federal funding, primarily 16 state owned airports.

3. HOW WE ARE DOING:

This will change. Four federally funded airports in the state system are in the process of obstruction removal (trees) Aurora, Bandon, Cottage Grove and Siletz Bay.

4. HOW WE COMPARE:

Comparator state information is not available.

5. FACTORS AFFECTING RESULTS:

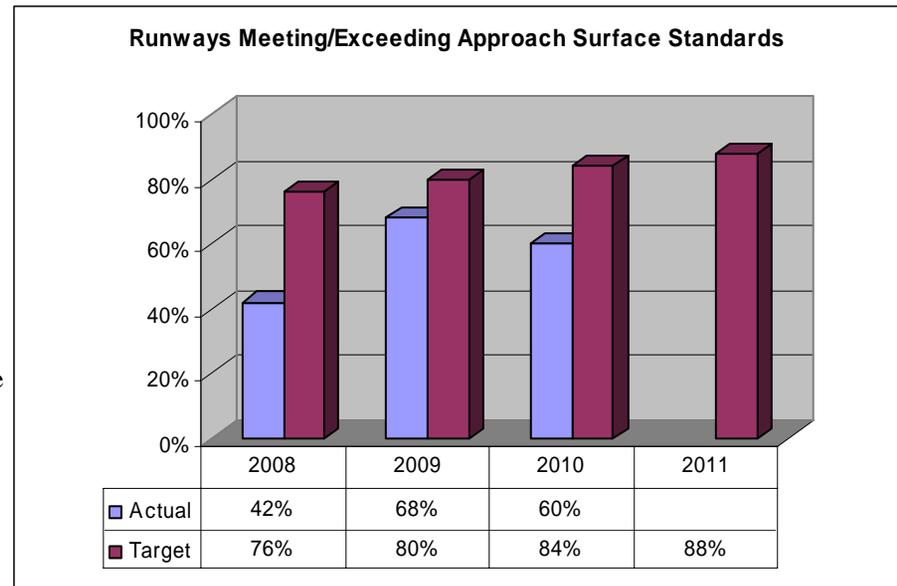
Declining revenues impact available funding for non-federal airports

6. WHAT NEEDS TO BE DONE:

Must identify funding resources to reduce backlog of obstructions at non-federally funded airports to increase percentage of airports with 20:1 glide slopes to improve safety for approaching aircraft. Cost of removal of obstructions could approach \$750,000.

7. ABOUT THE DATA:

The data is available annually.



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KPM # 3	State airports with current inspections	Measured since: 2007
Goal	All Oregon’s public-use airports shall have current FAA 5010 and state airports should have quarterly self inspections on file.	
Oregon Context	Not Applicable.	
Data source	FAA	
Owner	Department of Aviation, contact person is State Airports Manager, 503.378.4880.	

1. OUR STRATEGY

Target is percentage of airport runways rated good or better within the total inventory of public use airports in Oregon

2. ABOUT THE TARGETS

ODA conducts 97 FAA sponsored inspections over a three year period. One third of the inspections are conducted annually. (32 in 2010). ODA conducts quarterly self inspections at 28 state owned airports. Total possible number of inspections is 144.

3. HOW WE ARE DOING

ODA completed 133 of 142 inspections (92%) in 2010. This is up from 82% in 2008 and 85% in 2009. 3 quarterly inspections were not conducted at Owyhee Reservoir due to remote location inaccessible by auto and eight inspections in eastern Oregon were not completed due to reduced travel related to funding shortfalls.

4. HOW WE COMPARE

Comparison state information is not available.

5. FACTORS AFFECTING RESULTS.

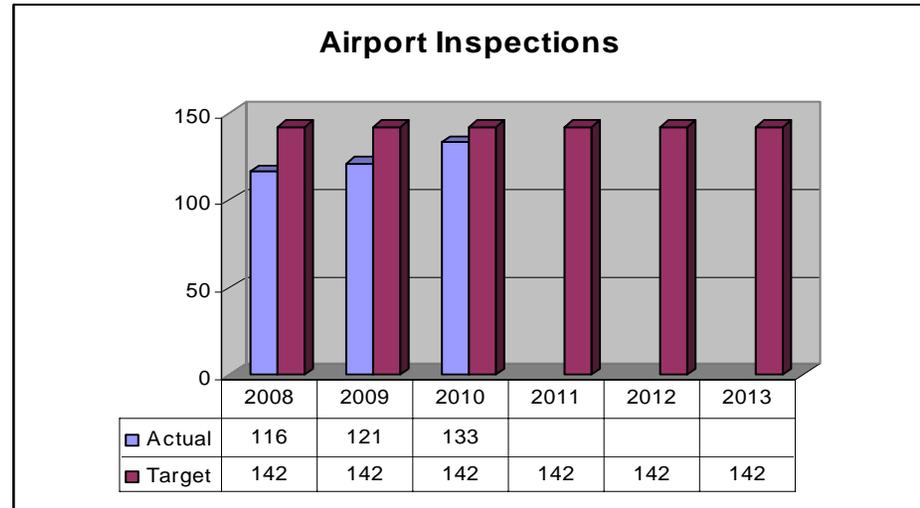
Declining fuel tax revenues resulted in reduction in maintenance staff. Airport maintenance has been reduced to minimal repairs and inspections for safety.

6. WHAT NEEDS TO BE DONE

Identify expenditure efficiencies. Identify additional revenue sources to offset jet fuel tax shortfall.

7. ABOUT THE DATA

The data is available and updated regularly as a management tool. Summary is compiled annually.



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KPM # 4	Percentage of total federal funds obligated or spent	Measured since: 2007
Goal	Obligate 100% of available federal funding. Adopt best business practices to administer an efficient and effective grant program.	
Oregon Context	Not Applicable.	
Data source	Departmental electronic data base and individual airport sponsor project/grant files.	
Owner	Department of Aviation, contact person is Chris Cummings, 503.378.4880.	

1. OUR STRATEGY:

Oregon currently owns and operates 28 public use airports. Of these, 12 are eligible for federal funding through the FAA Airport Improvement Program. Each of these 12 airports receives \$150,000 annually in entitlement funds (Non-Primary Entitlement Program, or NPEP), for a total of \$1.8M. The state has up to four years to expend these funds on airport improvement projects. If funds are not spent within the four year time period, they are de-obligated to ODA and returned to the FAA for use at other airports.

2. ABOUT THE TARGETS:

Because many airport projects typically cost more than \$150,000, ODA pools the available funding and accumulates a balance over time in order to accomplish larger capital construction projects. In 2009, unobligated funds from 8 airports were pooled to complete runway, drainage, and lighting improvements at Lebanon State Airport. Improvement projects are continually being developed and NPEP funds are allocated in chronological order, i.e., the oldest entitlement dollars are programmed first, so that ODA never “loses” money due to lack of adequate planning and monitoring. The FAA requires that ODA maintain a five-year Capital Improvement Program (CIP) list that plans and budgets projects five years into the future. This is continually revised and updated as new information comes in and priorities change.

3. HOW WE ARE DOING:

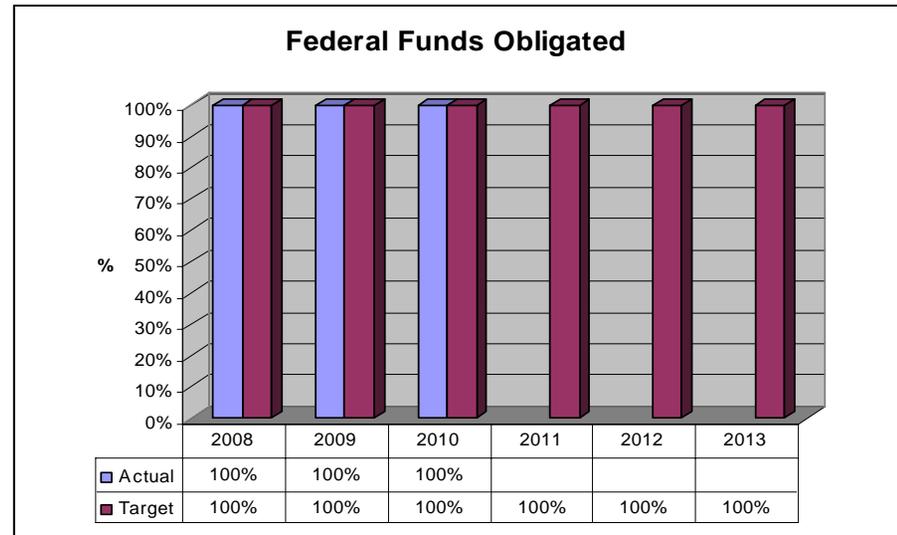
ODA has made improvements in planning and monitoring federally funded projects. The Department currently utilizes all available federal entitlement funds with no funds be returned to the FAA. When necessary, ODA works with FAA to transfer funds or amend grant descriptions to ensure that no federal dollars are lost. Through careful marshalling of NPEP dollars, ODA predicts no loss of funds due to aging, unobligated entitlements.

4. HOW WE COMPARE:

Comparator state information is not available.

5. FACTORS AFFECTING RESULTS:

Congressional authorization of funding program, changes in FAA policy, Legislative budget approval.



III. KEY MEASURE ANALYSIS

6. WHAT NEEDS TO BE DONE:

7. ABOUT THE DATA:

The data is updated on a continual basis and is available on demand.

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KPM # 5	Percent of customers rating their satisfaction with agency's customer service as "good" or "excellent"; overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information	Measured since: 2007
Goal	Excellent Customer Satisfaction	
Oregon Context	Not Applicable.	
Data source	Customer Satisfaction Survey	
Owner	Department of Aviation fiscal manager, 503.378.4881.	

1. OUR STRATEGY:

Evaluate comments by customers and constituents on Customer service and response time to improve service to aviation customers.

2. ABOUT THE TARGETS: ODA survey Percentages include Good or Excellent results combined. Excludes "Don't Knows".

3. HOW WE ARE DOING: Substantial improvement over 2008.

4. ABOUT THE TARGETS: Since Oct 2009, ODA has undergone substantial reorganization due to Director changes and fiscal challenges. ODA's survey form asks for customer service improvement suggestions as well as the six standard questions that all state agencies must ask when conducting such surveys.

5. FACTORS AFFECTING RESULTS:

Results are statistically valid at a 95% confidence lever to +/- 5.3% margin of error.

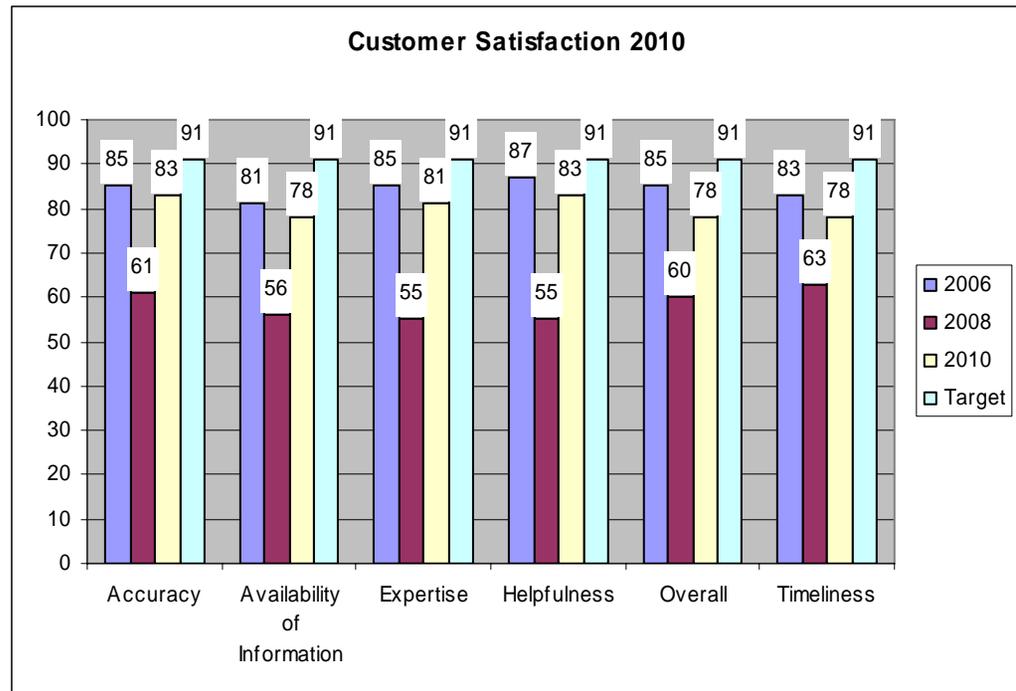
6. HOW WE COMPARE:

Comparator state information is not available.

7. WHAT NEEDS TO BE DONE:

Install customer service survey on ODA website to allow continuous access and feedback by customers and constituents.

8. ABOUT THE DATA: The data is available on a biennial basis.



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KPM # 6	Percent of Aircraft Registered	Measured since: 2007
Goal	Enroll all eligible Oregon based aircraft into ODA database	
Oregon Context	Not Applicable	
Data source	ODA Electronic Database	
Owner	Department of Aviation State Airports Manager, 503.378.4880.	

1. OUR STRATEGY:

ODA is in process of modernizing database and reconciling with both FAA and existing ODA database to ensure more accurate data and revenue collection.

2. ABOUT THE TARGETS:

ODA is required by ORS 837.040 and 837.045 to charge a fee for civil aircraft registration. Aircraft Registration fees support airport maintenance. Target is 100% accuracy. Modernizing database and increasing collection efforts are intended to increase this percentage and validate accuracy and collect all due revenue.

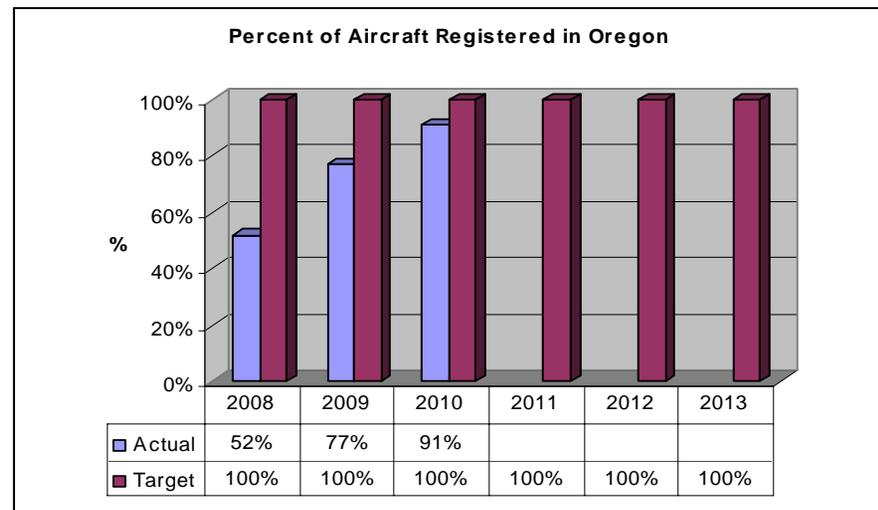
3. HOW WE ARE DOING:

4127 current active aircraft
53 dealer aircraft
399 no response/past due
4579 - 399 = 4180
4180/4579 = 91%

1649 inactive
2750 moved out of state
571 not flyable
144 destroyed
5114 + 4579 = 9893 total in system

4. HOW WE COMPARE:

FAA data shows 9349 aircraft registered in Oregon. FAA is requiring All aircraft to be re-registered in next three years due to inaccurate data.



5. FACTORS AFFECTING RESULTS:

are submitting aircraft registrations that indicate their aircraft are inactive and are no longer flying due to cost or other reasons.

ilots

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6. WHAT NEEDS TO BE DONE:

Continue development of aircraft and pilot registration database, aggressive reconciliation of erroneous data and pursuit of all revenue identified as due to ODA.

7. ABOUT THE DATA:

Data is available upon request.

KPM # 7	Percent of Pilots Registered	Measured since: 2007
Goal	Reconcile with FAA data and register all pilots with Oregon addresses	
Oregon Context	Not Applicable.	
Data source	ODA Electronic databases and FAA pilot database	
Owner	Department of State Airports Manager, 503.378.4880.	

ODA is in process of validating all pilot and aircraft registrations via comparison to FAA database and letters to pilots and aircraft owners.

1. OUR STRATEGY

ODA is required by ORS 837 to charge a fee for Oregon pilot registration. \$12 for initial pilot registration and \$24 for two year renewal term. Aggressive pursuit of renewals and outreach to pilots to encourage registration is our continuing strategy.

2. ABOUT THE TARGETS

Target is 80% accuracy in 2010.

3. HOW WE ARE DOING

Fees for pilot registration go to Oregon Emergency Management and 0.5 FTE at ODA for registration admin clerk. Ongoing clean up of database and elimination of duplicate registrations and expired pilot registrations show 6032 current and past due pilot registrations. 5358 are currently registered and paid up to date. 674 are shown as past due. 89 % of pilots have been validated as registered in 2010.

4. HOW WE COMPARE

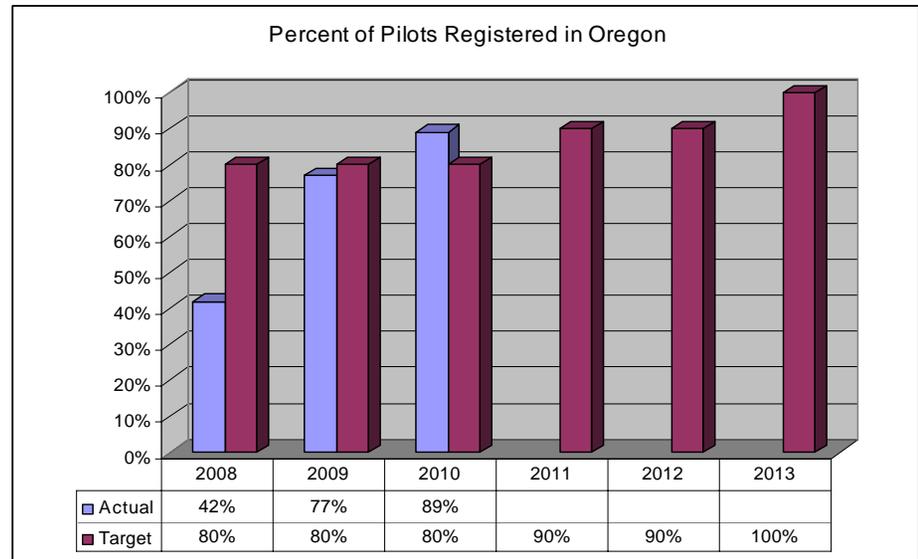
In 2009, Idaho reported 2,714 pilots registered.

5. FACTORS AFFECTING RESULTS.

Increase in fees, letters to pilots in the database as part of a stepped up registration campaign increased the number of pilots in the database. Process is ongoing.

6. WHAT NEEDS TO BE DONE

Continue modernization of database and reconciliation of pilot



Department of Aviation

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III. KEY MEASURE ANALYSIS

registrations.

7. ABOUT THE DATA

ODA is in process of validating all pilot and aircraft registrations via comparison to FAA database and letters to pilots.

KPM # 8	Total of Best Practices by the Board of Aviation	Measured since: 2007
Goal	Excellent Customer Satisfaction	
Oregon Context	Not Applicable.	
Data source	Self Assessment of best practices	
Owner	Department of Aviation Director, 503.378.4880.	

1. OUR STRATEGY:

ODA Board completes Best Practices survey to improve statewide aviation policy and oversight.

2. ABOUT THE TARGETS:

List of 15 best practices self assessment sent to 7 Oregon Aviation Board members in Sep 2010.

3. HOW WE ARE DOING:

2010 survey completed in Sept 2010. 7 of 7 board members responded to 15 best practices identified. Results indicate average of 13 best practices complied with. Two areas identified as needing improvement. Performance feedback for executive director. Second issue is lack of training sessions for board members.

4. HOW WE COMPARE:

Comparative state information is not available.

5. FACTORS AFFECTING RESULTS:

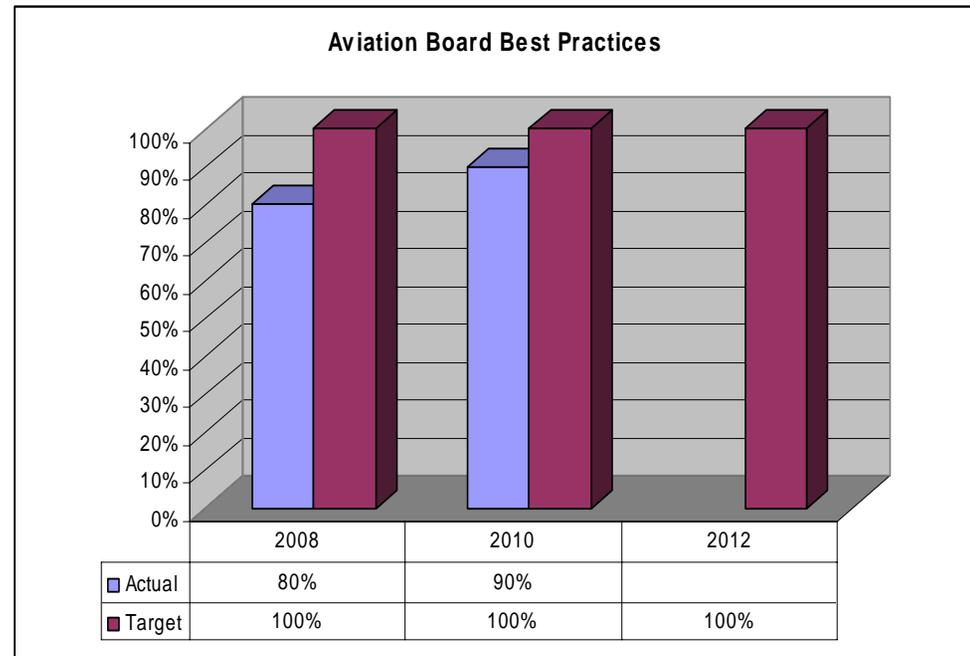
For Director performance feedback, short duration of incumbent interim Executive Director. Board meetings have been moved to monthly from quarterly. Informal feedback is regular and re-occurring.

6. WHAT NEEDS TO BE DONE

Board provide formal performance feedback to Director. Implement training for board members.

7. ABOUT THE DATA:

Survey results reflect 10% improvement in best practice compliance over 2008 best practice survey results



III. KEY MEASURE ANALYSIS